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PRESS CONFERENCE BY HIGH REPRESENTATIVE FOR LEAST DEVELOPED COUNTRIES

The least developed countries' share of world trade was so insignificant at 0.04 per cent that even with full duty-free, quota-free market access, it would not rise beyond 1 per cent, Under-Secretary-General Anwarul Chowdhury said at a São Paulo press conference this afternoon.

Addressing the topic "Three most vulnerable groups of countries", Mr. Chowdhury, who is High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, said that his main advocacy at UNCTAD XI concerned efforts to ensure that those countries received fair attention from the Conference with regard to the multilateral trading system.

He said that 34 of the world's 50 least developed countries (LDCs) were in Africa, and the continent's needs were, therefore, of primary concern to his Office. There were 31 landlocked countries worldwide -- of which 16 were also LDCs -- which faced heavy export costs owing to their lack of access to the sea, and 44 small island developing States in the Caribbean and Pacific regions, which were particularly vulnerable to external economic shocks and environmental disasters.

The Office of the High Representative was advocating that the international community pay special attention to the trading prospects of those countries, he said. Since the 2001 Brussels Conference on Least Developed Countries, the international community had taken some steps, including the European Union's "Everything but Arms" initiative and the Africa Growth and Opportunity Act (AGOA) of the United States, as well as special arrangements by Australia, Canada, New Zealand and Norway. However, there was a need to help them develop a more effective export market.

During UNCTAD XI and other recent meetings, much discussion had been devoted to the question of South-South cooperation, he said, noting that 40 per cent of LDC trade was with industrialized nations and 60 per cent was with other developing countries, though not other LDCs. There was a need for a further opening of developing-country markets because LDC export product quality was likely to be more competitive in the markets of the South than those of the North.

The third round of the Global System of Trade Preferences (GSTP) set to begin during UNCTAD XI would be very useful for LDCs, he said. Leading developing countries like Brazil, South Africa, India and China should open their relatively well-developed markets in the context of the GSTP, particularly because the expiration of the Multi-fibre Arrangements (MFA) agreement, at the end of this year, would present LDCs with severe

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challenges exporting to industrialized markets, as well as serious competition from other developing countries.

He announced that the United Nations Economic and Social Council would hold a three-day meeting beginning on 28 June, which would focus on resource mobilization for the LDCs. Its high-level segment would discuss the need to redeem the commitments made by developed countries.

Asked if there was any chance of LDCs moving out of that category in the next decade, he replied that they would have to join the GSTP. Despite the various constraints they faced, some of them produced specialized goods that could be sold to other LDCs, to neighbouring countries or even through interregional arrangements. Diversification and added value were two ways for them to benefit from South-South trade, he added.

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